

# **Exhibit 8**

**From:** Brenda Smith <bsmith@bristoladv.com>  
**Sent:** Thursday, June 22, 2017 8:52 AM  
**To:** Andrew Giannone  
**Subject:** FW: Broad Reach 2016 Audited Financials  
**Attachments:** Broad Reach 2016 - Final.pdf

Here you go, finally.

**Broad Reach Capital, LP**

**Financial Statements**

**December 31, 2016**

**Broad Reach Capital, LP**  
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**December 31, 2016**

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# Sanville & Company

CERTIFIED PUBLIC ACCOUNTANTS

ROBERT F. SNAVILLE, CPA  
MICHAEL T. BARANOWSKY, CPA  
JOHN P. TOWNSEND, CPA

1514 OLD YORK ROAD ABINGTON, PA 19001  
(215) 884-8460 • (215) 884-8686 FAX

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
PENNSYLVANIA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

17 BATTERY PLACE, 11th FLOOR  
NEW YORK, NY 10004  
(212) 709-9512

## INDEPENDENT AUDITOR'S REPORT

To the Partners of  
Broad Reach Capital, LP

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Broad Reach Capital, LP (the "Fund"), which comprise the statement of assets, liabilities and partners' capital, including the condensed schedule of investments, as of December 31, 2016, and the related statements of operation and changes in partners' capital for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Broad Reach Capital, LP as of December 31, 2016, and the results of its operations and changes in partners' capital for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Abington, Pennsylvania  
June 20, 2017



**Broad Reach Capital, LP****Statement of Assets, Liabilities and Partners' Capital****December 31, 2016****Assets**


---

|   |                                  |
|---|----------------------------------|
| Investments in securities, at value (cost \$84,914,282) | \$ 106,283,356                   |
| Collateralized structured notes receivable              | 7,517,295                        |
| Short-term notes receivable                             | 1,200,000                        |
| Cash  | 6,650,658                        |
| Dividends receivable                                    | 421,017                          |
| Interest receivable                                     | <u>153,902</u>                   |
| <br>Total assets  | <br>\$ <u><u>122,226,228</u></u> |

**Liabilities and Partners' Capital**

|  |                                  |
|--|----------------------------------|
| Securities sold, not yet purchased, at value (proceeds \$72,439,306) | \$ 77,823,205                    |
| Due to broker  | 4,204,194                        |
| Accounts payable   | <u>125,344</u>                   |
| <br>Total liabilities  | <br><u>82,152,743</u>            |
| <br>Partners' Capital  |                                  |
| Limited partners   | <u>40,073,485</u>                |
| <br>Total partners' capital  | <br><u>40,073,485</u>            |
| <br>Total liabilities and partners' capital                          | <br>\$ <u><u>122,226,228</u></u> |

The accompanying notes are an integral part of these financial statements.

**Broad Reach Capital, LP**  
**Condensed Schedule of Investments**  
**December 31, 2016**

| <u>Investments in securities</u>        | <u>Shares</u> | <u>Fair Value</u> | <u>Percentage of Partners' Capital</u> |
|---|---------------|-------------------|--|
| <b>Common stocks</b>                    |               |                   |  |
| <i>United States</i>                    |               |                   |  |
| Technology                              |               |                   |  |
| Qualcomm Inc                            | 34,500        | \$ 2,249,400      | 5.6%                                   |
| Microsoft Corp                          | 40,000        | 2,485,600         | 6.2%                                   |
| International Business Machines         | 16,800        | 2,788,632         | 7.0%                                   |
| Nvidia Corp                             | 217,300       | 23,194,602        | 57.9%                                  |
| Other Technology                        |               | 9,260,251         | 23.1%                                  |
| Total Technology                        |               | 39,978,485        | 99.8%                                  |
| Industrial Goods                        |               |                   |  |
| Deere & Co                              | 34,900        | 3,596,096         | 9.0%                                   |
| General Electric Co                     | 140,800       | 4,449,280         | 11.1%                                  |
| Other Industrial Goods                  |               | 1,120,359         | 2.8%                                   |
| Total Industrial Goods                  |               | 9,165,735         | 22.9%                                  |
| Basic Materials                         |               |                   |  |
| Chevron Corp                            | 37,100        | 4,366,670         | 10.9%                                  |
| Other Basic Materials                   |               | 4,411,935         | 11.0%                                  |
| Total Basic Materials                   |               | 8,778,605         | 21.9%                                  |
| Consumer Services                       |               |                   |  |
| Wal-mart Stores Inc                     | 82,900        | 5,730,048         | 14.3%                                  |
| Walt Disney Co                          | 20,900        | 2,178,198         | 5.4%                                   |
| Other Consumer Services                 |               | 3,305,170         | 8.3%                                   |
| Total Consumer Services                 |               | 11,213,416        | 28.0%                                  |
| Consumer Goods                          |               |                   |  |
| Coca Cola Company                       | 181,900       | 7,541,574         | 18.8%                                  |
| Other Consumer Goods                    |               | 2,718,119         | 6.8%                                   |
| Total Consumer Goods                    |               | 10,259,693        | 25.6%                                  |
| Financial Services                      |               |                   |  |
| JP Morgan Chase & Co                    | 101,900       | 8,792,951         | 21.9%                                  |
| Other Financial Services                |               | 3,136,812         | 7.9%                                   |
| Total Financial Services                |               | 11,929,763        | 29.8%                                  |
| Healthcare                              |               | 3,461,300         | 8.6%                                   |
| Utilities                               |               | 692,953           | 1.7%                                   |
| Total United States (cost \$72,713,465) |               | 95,479,950        | 238.3%                                 |

**Broad Reach Capital, LP****Condensed Schedule of Investments (Continued)****December 31, 2016**

| <b>Investments in securities (Continued)</b>                     | <b>Shares</b> | <b>Fair Value</b> | <b>Percentage of Partners' Capital</b> |
|--|---------------|-------------------|--|
| <b>Common stocks (Continued)</b>                                 |               |                   |  |
| <i>Mexico</i>  |               |                   |  |
| Financial Services   |               | \$ 90,131         | 0.2%                                   |
| Industrials - Transportation                                     |               | 142,847           | 0.4%                                   |
| Consumer Services  |               | 53,766            | 0.1%                                   |
| Basic Materials  |               | 48,274            | 0.1%                                   |
| Total Mexico (cost \$375,125)                                    |               | 335,018           | 0.8%                                   |
| <i>Brazil</i>  |               |                   |  |
| Consumer Goods   |               | 601,370           | 1.5%                                   |
| Energy   |               | 880,513           | 2.2%                                   |
| Financial Services   |               | 723,830           | 1.8%                                   |
| Information Technology   |               | 66,386            | 0.2%                                   |
| Real Estate  |               | 210,573           | 0.5%                                   |
| Telecommunications   |               | 138,138           | 0.3%                                   |
| Utilities  |               | 429,928           | 1.1%                                   |
| Total Brazil (cost \$3,469,859)                                  |               | 3,050,738         | 7.6%                                   |
| Total Investments in Common Stocks (cost \$76,558,449)           |               | 98,865,706        | 246.7%                                 |
| <b>Exchange Traded Funds</b>                                     |               |                   |  |
| <i>United States</i>   |               |                   |  |
| Commodity  | 6,600         | 208,230           | 0.5%                                   |
| Diversified Emerging Mkts  | 4,600         | 163,510           | 0.4%                                   |
| Equity Energy  | 22,400        | 747,040           | 1.8%                                   |
| Japan Stock  | 14,900        | 738,146           | 1.8%                                   |
| Large Blend  | 400           | 89,412            | 0.2%                                   |
| Latin America Stock  | 4,300         | 143,362           | 0.4%                                   |
| Real Estate  | 14,600        | 814,374           | 2.0%                                   |
| Volatility   | 2,100         | 96,051            | 0.2%                                   |
| Total Investments in Exchange Traded Funds (cost \$2,987,794)    |               | 3,000,125         | 7.4%                                   |
| <b>Master Limited Partnership</b>                                |               |                   |  |
| <i>United States (cost \$350,936)</i>                            |               | 351,600           | 0.9%                                   |
| <b>Short-term Government Debt</b>                                |               |                   |  |
| <i>Mexico</i>  |               |                   |  |
| Municipal bond   | 3,345,971     | 258,890           | 0.6%                                   |
| Total Investments in Short-term Government Debt (cost \$259,563) |               | 258,890           | 0.6%                                   |



**Broad Reach Capital, LP****Condensed Schedule of Investments (Continued)****December 31, 2016**

|   |               | <b>Fair</b>     | <b>Percentage of</b>     |
|---|---------------|-----------------|--------------------------|
| <b>Investments in securities (Continued)</b>                      | <b>Shares</b> | <b>Value</b>    | <b>Partners' Capital</b> |
| <b>Call Options Purchased</b>                                     |               |                 |                          |
| <i>United States</i>  |               |                 |                          |
| Apple Inc - Call Jan 00110.000                                    | 4,650         | \$ 2,917,875    | 7.3%                     |
| Other Call Options Purchased                                      |               | 837,775         | 2.1%                     |
| Total Investments in Call Options Purchased (cost \$4,675,204)    |               | 3,755,650       | 9.4%                     |
| <b>Put Options Purchased</b>                                      |               |                 |                          |
| United States   |               | 51,385          | 0.1%                     |
| Total Investments in Put Options Purchased (cost \$82,336)        |               | 51,385          | 0.1%                     |
| Total Investments in Securities (cost \$84,914,282)               |               | \$ 106,283,356  | 265.1%                   |
| <b>Securities sold, not yet purchased</b>                         |               |                 |                          |
| <b>Common stocks</b>  |               |                 |                          |
| <i>United States</i>  |               |                 |                          |
| Technology  |               |                 |                          |
| Apple Inc   | (199,200)     | \$ (23,071,344) | ( 57.6)%                 |
| Total Investments in Common Stocks (proceeds \$23,125,620)        |               | (23,071,344)    | ( 57.6)%                 |
| <b>Exchange Traded Funds</b>                                      |               |                 |                          |
| <i>United States</i>  |               |                 |                          |
| Large Blend   |               |                 |                          |
| SPDR S&P 500 ETF TR TR UNIT                                       | (32,500)      | ( 7,264,725)    | ( 18.1)%                 |
| Total Investments in Exchange Traded Funds (proceeds \$7,320,628) |               | (7,264,725)     | ( 18.1)%                 |
| <b>Call Options Written</b>                                       |               |                 |                          |
| <i>United States</i>  |               |                 |                          |
| Nvidia Corp - CALL JAN 00020.000                                  | (1,588)       | (13,775,900)    | ( 34.4)%                 |
| Apple Inc - CALL JAN 00090.000                                    | (3,140)       | ( 8,132,600)    | ( 20.3)%                 |
| Nvidia Corp - CALL JAN 00045.000                                  | (435)         | ( 2,691,563)    | ( 6.7)%                  |
| JP Morgan Chase & Co - CALL JAN 00052.500                         | (665)         | ( 2,246,038)    | ( 5.6)%                  |
| Other Call Options Written  |               | (20,135,669)    | ( 50.2)%                 |
| Total United States (cost \$40,869,826)                           |               | (46,981,769)    | ( 117.2)%                |
| <i>Brazil</i>   |               | ( 2,461)        | ( 0.0)%                  |
| Total Call Options Written (proceeds \$40,873,997)                |               | (46,984,230)    | (117.2)%                 |
| <b>Put Options Written</b>  |               |                 |                          |
| <i>United States</i>  |               | (502,906)       | ( 1.3)%                  |
| Total Put Options Written (proceeds \$1,119,061)                  |               | (502,906)       |                          |
| Total Securities sold, not yet purchased (proceeds \$72,439,306)  |               | \$ (77,823,205) | (194.2)%                 |

The accompanying notes are an integral part of these financial statements.

**Broad Reach Capital LP**  
**Statement of Operations**  
**For the Year Ended December 31, 2016**

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**Investment income**

|           |                |
|-----------|----------------|
| Dividends | \$ 3,409,825   |
| Interest  | <u>205,914</u> |

|                         |                  |
|-------------------------|------------------|
| Total investment income | <u>3,615,739</u> |
|-------------------------|------------------|

Expenses

|   |                |
|---|----------------|
| Dividends paid on securities sold short | <u>101,174</u> |
|---|----------------|

|                |                |
|----------------|----------------|
| Total expenses | <u>101,174</u> |
|----------------|----------------|

|                              |                  |
|------------------------------|------------------|
| <b>Net investment income</b> | <u>3,514,565</u> |
|------------------------------|------------------|

**Net realized and unrealized gain (loss) on trading activity**

|  |                  |
|--|------------------|
| Net realized and unrealized gain on trading activity | <u>1,436,754</u> |
|--|------------------|

|                   |                            |
|-------------------|----------------------------|
| <b>Net income</b> | <u><u>\$ 4,951,319</u></u> |
|-------------------|----------------------------|

The accompanying notes are an integral part of these financial statements.

**Broad Reach Capital LP**  
**Statement of Changes in Partners' Capital**  
**For the Year Ended December 31, 2016**

|  | <b>Limited<br/>Partners</b> |
|--|-----------------------------|
| <b>Partners' capital at December 31, 2015</b>          | \$ <u>-</u>                 |
| Allocation of net income per partnership<br>agreement: |                             |
| Allocation to limited partners                         | <u>4,951,319</u>            |
| <b>Net income</b>                                      | <u>4,951,319</u>            |
| Capital transactions                                   |                             |
| Contributions of capital                               | 41,411,858                  |
| Withdrawal of capital                                  | <u>( 6,289,692)</u>         |
|  | <u>35,122,166</u>           |
| <b>Net increase</b>                                    | <u>40,073,485</u>           |
| <b>Partners' capital at December 31, 2016</b>          | \$ <u><u>40,073,485</u></u> |

The accompanying notes are an integral part of these financial statements.

**1. Organization**

*Nature of Operations* – Broad Reach Capital, LP (the “Fund”) was organized as a limited partnership under the laws of the State of Delaware and commenced operations on February 1, 2016. The Fund’s investment objective is to seek consistent absolute returns primarily through capital appreciation, while also attempting to preserve capital and mitigate risk. The strategy of the Fund is to invest its account with managers (“Managers”) that represent a diverse set of assets in order to reduce exposure to any single asset class. These asset classes could include but are not limited to equities, bonds, options, commodities, foreign exchange and energy. The Fund’s investment adviser is Bristol Advisors LLC (the “Adviser”).

**2. Significant Accounting Policies**

The Fund follows the accounting and reporting guidance in FASB Accounting Standards Codification 946 applicable to investment companies. The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

*Security valuation.* All investments in securities are recorded at their estimated fair value, as described in note 3.

*Security Transactions and Income* - The Fund records its securities transactions and related revenues and expenses on a trade-date basis. Unrealized appreciation or depreciation on securities is reflected in the statement of operations. The cost basis used in calculating realized gains and losses on the sale of investment securities is specific identification method.

Interest income is accrued as earned or incurred.

*Operating Expenses.* All operating expenses incurred by the Fund, except for dividends paid on securities sold, not yet purchased are paid by the Adviser.

*Foreign currency.* Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

*Income Taxes* - No federal, state, or local taxes have been provided on profits of the Fund since the partners are individually liable for the taxes on their share of the Fund’s income or loss.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns or expected to be taken in the Fund's 2016 tax returns. The Fund identifies its major tax jurisdiction as U.S. Federal where the Fund makes significant investments; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

*Allocation of Income/Loss* - The results of operations are allocated to each partner’s capital account, on a monthly basis, in accordance with Broad Reach Capital, LP Limited Fund Agreement dated January 1, 2016 (the “Fund Agreement”).

*Contributions and Withdrawals of Capital* - New members may be admitted to the Fund and existing members may increase their interests at the beginning of each calendar month. Members may withdrawal any part of their interest at the end of any month upon written notice.

**2. Significant Accounting Policies (continued)**

*Short Sales of Securities* - The Fund may make short sales, which are transactions in which the Fund sells a security it does not own in anticipation of a decline in the market value of that security. To complete a short sale transaction, the Fund will borrow the security from a broker-dealer, which generally involves the payment of a premium and transaction costs. The Fund then sells the borrowed security to a buyer in the market. The Fund will then cover the short position by buying shares in the market either (i) at its discretion; or (ii) when called by the broker-dealer lender. Until the security is replaced, the Fund is required to pay the broker-dealer lender any dividends or interest that accrues during the period of the loan. In addition, the net proceeds of the short sale will be retained by the broker to the extent necessary to meet regulatory or other requirements, until the short position is closed out.

The Fund will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund will realize a gain if the security declines in price between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Fund may be required to pay in connection with a short sale. When the Fund makes a short sale, the Fund will segregate liquid assets (such as cash, U.S. government securities, or equity securities) on the Fund's books and/or in a segregated account at the Fund's prime broker in an amount sufficient to cover the current value of the securities to be replaced as well as any dividends, interest and/or transaction costs due to the broker-dealer lender. In determining the amount to be segregated, any securities that have been sold short by the Fund will be marked to market daily. To the extent the market price of the security sold short increases and more assets are required to meet the Fund's short sale obligations, additional assets will be segregated to ensure adequate coverage of the Fund's short position obligations.

*Use of Estimates* - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

*Subsequent events* - Management has evaluated the impact of all subsequent events through June 20, 2017, the date the financial statements were available to be issued and has determined there were no subsequent events requiring disclosure in these financial statements.

**3. Securities Valuations**

*Processes and Structure*

Fund management has adopted methods for valuing securities including in circumstances in which market quotes are not readily available and has delegated authority to the Fund's administrator to apply those methods in making fair value determinations, subject to board oversight. The majority of the Fund's securities are traded on national and international securities exchanges and are stated at the last reported sales price on the day of valuation..

*Hierarchy of Fair Value Inputs*

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

### **3. Securities Valuations (Continued)**

Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2. Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3. Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

#### *Fair Value Measurements*

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

*Equity securities (common stocks).* Securities traded on national and international securities exchanges (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, Exchange Traded Funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in level 2.

*Options.* Securities traded on national and international securities exchanges (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, Exchange Traded Funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in level 2.

### 3. Securities Valuations (Continued)

*Municipal bond.* The fair value of municipal bond is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (when observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments. Although most municipal bonds are categorized in level 2 of the fair value hierarchy, in instances when lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in level 3.

*Exchange Traded Funds.* Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, Exchange Traded Funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in level 2.

Private equity investments and limited Fund. Securities for which quotations are not readily available are valued at fair value, as determined by the administrator. Securities issued by publicly traded companies are generally valued at a discount to similar publicly traded securities. Securities issued by nonpublic entities may be valued by reference to comparable public entities or fundamental data relating to the issuer, or both. Depending on the relative significance of valuation inputs, these instruments may be classified in either level 2 or level 3 of the fair value hierarchy.

There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

| <b>Financial Instruments - Assets</b> |                       |                   |             |                       |
|---------------------------------------|-----------------------|-------------------|-------------|-----------------------|
| <i>Categories</i>                     | Level 1               | Level 2           | Level 3     | Total                 |
| Common stocks                         | \$ 98,865,706         | \$ -              | \$ -        | \$ 98,865,706         |
| Exchange traded funds                 | 3,000,125             | -                 | -           | 3,000,125             |
| Master limited partnership            | 351,600               | -                 | -           | 351,600               |
| Short-term government debt            | -                     | 258,890           | -           | 258,890               |
| Call options purchased                | 3,755,650             | -                 | -           | 3,755,650             |
| Put options purchased                 | 51,385                | -                 | -           | 51,385                |
| Total                                 | <u>\$ 106,024,466</u> | <u>\$ 258,890</u> | <u>\$ -</u> | <u>\$ 106,283,356</u> |

| <b>Financial Instruments - Liabilities</b> |                        |             |             |                        |
|--|------------------------|-------------|-------------|------------------------|
| <i>Categories</i>                          | Level 1                | Level 2     | Level 3     | Total                  |
| Common stocks                              | \$ (23,071,344)        | \$ -        | \$ -        | \$ (23,071,344)        |
| Exchange traded funds                      | ( 7,264,725)           | -           | -           | ( 7,264,725)           |
| Call options written                       | (46,984,230)           | -           | -           | (46,984,230)           |
| Put options written                        | ( 502,906)             | -           | -           | ( 502,906)             |
| Total                                      | <u>\$ (77,823,205)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (77,823,205)</u> |

**4. Notes receivable**

The Fund has three notes receivable (the “Notes”) outstanding at December 31, 2016. The Notes are valued using amortized cost, which approximates fair value. The table below lists the details of the Notes.

|        | <u>Amount</u>       | <u>Interest<br/>Rate</u> | <u>Interest<br/>Earned</u> | <u>Maturity Date</u> |
|--------|---------------------|--------------------------|----------------------------|----------------------|
| Note 1 | \$ 1,200,000        | 0%                       | \$ 25,000                  | January 3, 2017      |
| Note 2 | 5,000,000           | 10%                      | 154,892                    | December 31, 2017    |
| Note 3 | <u>2,500,000</u>    | 6%                       | <u>25,000</u>              | December 31, 2017    |
| Total  | <u>\$ 8,700,000</u> |                          | <u>\$ 204,892</u>          |                      |

**5. Due From Broker**

Due from broker includes cash balances held with brokers, receivables and payables from unsettled trades and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short.

In the normal course of business, substantially all of the Fund's securities transactions, money balances, and security positions are transacted with the Fund's broker: Industrial and Commercial Bank of China, a major brokerage firm. The Fund is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of such broker and does not anticipate any losses from this counterpart.

**6. Financial Highlights**

The following table presents financial highlights of the Fund for the year ended December 31, 2016. An individual partner's ratios and total return may vary from the Fund's ratios and total return.

|   |              |
|---|--------------|
| <b>Ratio to average partners' capital</b>     |              |
| Expenses (including operating and investment) | 0.5%         |
| Net investment income                         | 17.8%        |
| <b>Total return</b>                           | <b>26.9%</b> |